

NATIONAL INVESTMENT (PROMOTION AND PROTECTION) ACT, 1990

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THE UNITED REPUBLIC OF TANZANIA



No. 10 OF 1990

I ASSENT,
*Lassan*President
19th June 1990

An Act to establish the Investment Promotion Centre to define its functions and Powers in relation to the promotion, co-ordination regulation, and monitoring Of foreign and local investments, to repeal the Foreign Investment Protection Act, 1963, and for matters incidental thereto and connected therewith

I I

WHERE AS the Government of the United Republic, has embarked on a deliberate Programme of promoting rapid economic development and growth:

AND WHEREAS Tanzania is endowed with abundant natural resources which are yet to be exploited:

AND WHEREAS, the Government, recognizing that private, foreign and local investments have played and will continue to play an important role in the development of the economy, has promulgated the National Investment Promotion policy:

AND WHEREAS it is deemed necessary and appropriate for a clear institutional framework to be established for investors to operate within, and to Provide them with incentives and guarantees in order to encourage investments particularly in areas of national priority:

AND WHEREAS it is necessary, in order to give effect to the Policy, to enact a more comprehensive legislation to govern investments in all areas:

NOW THEREFORE it is hereby enacted by the Parliament of the United Republic as follows:

PART I

PRELIMINARY

Short title and commencement
1. This Act may be cited as the National Investment (Promotion and Protection) Act, 1990, and shall come/ into operation on such date as the Minister may, by order published in the Gazette appoint.

Inter-pretation

2. In this Act, unless the context otherwise

"application" means application for a Certificate of Approval or- amendment thereof;

"approved enterprise" means an enterprise, whether a new enterprise or the rehabilitation or expansion of an existing enterprise, in respect of which a Certificate of Approval is granted by the Centre;

"Capital" means currency, negotiable instruments, plant, machinery, equipment, buildings, spare parts, rev materials and other business assets;

"Centre" means the Investment Promotion Centre established under section 4;

"Certificate" means a Certificate of Approval granted by the Centre pursuant to this Act;

"Certificate of Approval" means a certificate granted by the Centre pursuant to this Act;

"Director" means the person appointed to be Director General under section 7;

"enterprise" means any undertaking carrying on business whether in the field of agriculture, industry, commerce, services or otherwise;

"existing enterprise" means an enterprise existing immediately prior to the commencement of this Act;

"foreign capital" means foreign convertible currency, or negotiable instruments, plant, machinery, equipment, buildings, spare parts, raw materials, and other business assets obtained by the expenditure of foreign convertible currency or negotiable instruments demonstrated in foreign convertible currency and includes retained earnings and unremitted dividends;

"foreign national- means:-

- (a) a person who is not a citizen of the United Republic;
- (b) a company or other body co-operate incorporated outside the United Republic;
- (c) a company incorporated within the United Republic in respect of which the Minister is satisfied:-
 - (i) that the majority of the issued share capital is beneficially owned by foreign nationals within the meaning of this definition; and
 - (ii) that there are special reasons why the company should be treated as a foreign national for purposes of this Act;

"investment" means contribution of capital or, foreign capital by an investor to a new enterprise or to expansion or rehabilitation of an existing enterprise or a new enterprise;

"local investment" means an investment by a national investor,

"joint venture means an association whether incorporated or unincorporated, between foreign investors and local co-operative or parastatal organizations, foreign investor and local

private investors domestic private investors and local parastatal and, or co-operative Organizations, for the purpose of making an investment Jointly in an enterprise in respect of which an application may be made for a Certificate of Approval;

"Minister-w means the Minister for the time being responsible for economic Policy and planning;

"national* means an investor, who is:

- (a) a citizen Of the United Republic;
- (b) a company incorporated within the United Republic in respect of which the Centre is satisfied that all or the majority of the issued share capital is beneficially owned by citizens of the United Republic;

"new enterprise" means an enterprise established after the effective date;

Operative date means-

- (a) with respect to a new enterprise, the date (or) which production or provision of services from the approved enterprise commences; or
- (b) with respect to rehabilitation or expansion of an existing enterprise or a new enterprise, the date of completion of the rehabilitation or expansion of the enterprise as specified in the Certificate of Approval in respect of the enterprise, as amended from time to time;

*parastatal" means a statutory Or Public corporation owned by the Government or a company in which all or more than fifty percent of the issued share capital is beneficially owned by the Government;

'Prescribed' means prescribed by regulations made under this Act;

'prescribed form' means any form prescribed by the Centre, by regulations or, where no form has been prescribed in relation to any matter, means a form approved by the Centre;

'private investment' means an investment by a Private investor;

'Private investor' means a national or foreign national who proposes to make or has made a Private investment in the Republic and includes a private investor in a joint venture;

*Regulations" means regulations made under this Act.

3. This Act shall apply in relation to foreign and local investment but shall not apply in relation to investments in petroleum and minerals which are governed by the Petroleum (Exploration and Production) Act, 1960 and the Mining Act, 1979 respectively.

Applica-
tio

Acts, 1980
No. 27

Acts 1979
No. 17

PART II

THE INVESTMENT PROMOTION CENTRE

4--(1) There is hereby established a Centre to be known as the Investment Promotion Centre.

Establish-
ment of
the
Centre

(2) The Centre shall be an autonomous organ of Government.

5. - (1) The Centre shall be the focal point for the implementation of the National Investment policy and in particular it shall be responsible for the promotion, co-ordination, regulation and monitoring of local and foreign investments in Tanzania.

Objec-
tive and
function
of the
Centre

(2) Without prejudice to the generality of subsection (1) the functions of the Centre shall be-

- (a) to identify and advise potential investors on possible areas of investment and to provide them with available feasibility reports and market studies;
- (b) to collect, collate, analyse and disseminate information about investment opportunities and sources of investment capital, and advise upon request, on the availability, choice or suitability of partners in joint venture projects;
- (c) to assist where appropriate, in the identification of local partners for foreign investors;
- (d) to organise promotional activities such as seminars and exhibitions, both in Tanzania and abroad, in order to stimulate local and foreign investments;
- (e) to liaise with Tanzania Missions abroad in order to publicise Tanzania's investment prospects overseas and to disseminate information on investment opportunities in Tanzania;
- (f) to act as a link between local inventors and possible investors or manufacturers;
- (g) to grant certificates of approval for investment in enterprises in accordance with the provision of this Act;
- (h) to conduct, or arrange for policy and technical appraisal of investment proposals submitted to it by investors;
- (i) to co-ordinate private investment activity in Tanzania;

- (j) to keep under review, and advise the Government periodically on policies, strategies and Procedures relating to the Promotion and regulation of investments and matters connected therewith and recommend action necessary for the encouragement of private investments including simplification of procedures affecting investment and legislative measures;
- (k) to assist holders of Certificates of Approval in securing all licenses, authorizations, approvals and permits required to enable any approval granted by the Centre to have full effect;
- (l) to maintain liaison between private investors and Ministries, Government departments, agencies, institutional lenders and other authorities concerned with investment;
- (m) to monitor the Performance of enterprises approved by it and to enforce compliance with the terms of approvals and the Provisions of this Act and regulations made thereunder;
- (n) to exercise all functions and powers and Perform all duties which, under or by virtue of any other written law, are or may be vested or delegated to it;
- (a) to do all such things as are necessary or incidental or conducive to the functions specified in this Act.

6. - (1) There shall be a Director General of the Centre who shall be appointed by the President, and shall be charged with the responsibility for the day to day administration and organization of the functions of the Centre and the implementation of its decisions.

Appoint-
ment of
the Direc-
tor Gen-
eral

(2) In appointing the Director, regard shall be had of the need to appoint a person with adequate knowledge and experience in business affairs, or in the management of the government or public affairs or who has proven ability in dealing with national and international affairs.

(3) The Director shall be the Chief Executive Officer of the Centre and shall be responsible for its day to day activities.

Appoint-
ment of
other staff

7. Subject to any written law and to any direction given by the President in that behalf, there shall be appointed to the Centre such staff, advisors or other persons of such appropriate professional competence or experience in business affairs or in the management of government or public affairs as may be necessary for the efficient discharge of the functions of the Centre.

Fees, re-
ceipts and
funds

8. The Centre may levy such fees and for its services as may be approved by the Minister from time to time.

PART III

APPLICATION FOR APPROVAL OF ENTERPRISES AND AREAS OF INVESTMENT

Invest-
ment in
new en-
terprise

9. After the effective date any local Or foreign investor may invest in a new enterprise to which this Act applies only where:-

- (a) the investment is with respect to an enterprise other than one in an area reserved exclusively for the public sector as specified in the Schedule;
- (b) he has received a Certificate of Approval with respect to the enterprise;
- (c) he has fulfilled all other conditions as provided for under this Act.

10. An application for a Certificate of Approval shall be made to the Centre by a national only where he wishes to invest in an approved enterprise:

Application for a Certificate of Approval by nationals

- (a) in any new enterprise other than one in an area reserved exclusively for the public sector-
- (b) in the rehabilitation and expansion of an existing enterprise.

11. An application for a Certificate of Approval shall be made by a foreign national to the Centre in respect of an investment:

Application for a Certificate of Approval by foreign nationals

- (a) in any new enterprise other than one in an area reserved exclusively to the public sector;
- (b) in the rehabilitation or expansion of an existing enterprise.
- (c) in any of the enterprises specified in paragraphs 2 of Part C of the Schedule where the investment is not less than the amount therein specified.

12.-(1) Applications shall be made in accordance with such Procedures and form as may be prescribed by the Centre and shall be accompanied by a statement on the likely contribution of the enterprise to the objectives set out in subsection (1) of Section 13 and such other information as may be required by the Centre.

Procedure with respect to applications

(2) Every application shall be accompanied by such fee as may be prescribed from time to time.

(3) The Centre shall submit within ten days of receipt of an application a copy thereof to the Ministry Government Department or Agency with sectoral responsibility for enterprises of such nature.

(4) Any Ministry Government Department or Agency to which a copy of the application is submitted shall, within 14 days of receipt thereof, submit to the Centre any comments on the application which shall be considered by the Centre in determination of the application but if at the expiry of such fourteen days no comments are received by the Centre, it shall proceed to deal with the application, and its decision shall be final and binding.

(5) The Centre shall consider an application made to it within sixty days after the receipt of the application and may, subject to the provisions of this Act, in its discretion, grant or refuse the application.

Consideration of application

13.-(I) in considering applications made under, sections 10 of 11 and 12, the Centre shall satisfy itself of the likely contribution by the enterprise to the economic development and benefit of Tanzania in particular, with respect to the following objectives: -

- (a) the maximization of foreign exchange earnings and savings;
- (b) the enhancement of import substitution activities which achieve identifiable substantial foreign exchange savings;
- (c) the expansion of food production;
- (d) the achievement of a high degree of technology transfer;
- (e) the creation of employment opportunities and the development of human resources;
- (f) the efficient utilization, expansion and diversification of the productive capacity of existing enterprises;
- (g) the provision of services or the production of goods which improve linkages between the various sectors of the economy.

(2) In addition to the objectives specified in subsection (1), the Centre shall have regard to:-

- (a) the capital, technical skills and raw materials available to the applicant;
- (b) the local materials, supplies and services to be used by the applicant;
- (c) interests and conditions of service of the labour employed or to be employed by the applicant;
- (d) the general Promotion and development of enterprises within Tanzania and the need to generate constructive competition among enterprises;
- (e) the potential demand, both within the United Republic and elsewhere, for the product or services of the enterprises;
- (f) the siting or proposed siting of the enterprise in relation to the availability of power, fuel, labour transport, raw materials, land and water;
- (g) the promotion of balanced and equitable growth throughout the country;
- (h) the interests of potential consumers from investment in the enterprises being undertaken.

14. In the event that an application is approved by the Centre, the Centre shall grant a Certificate of Approval specifying:-

Issue of
Certifi-
cate of
Approval

- (a) the name, nationality and other particulars of the investor and in the case of a company the nationality and number of shareholders;

- (b) the name, description and location of the enterprises;
- (c) the approved enterprise and, where appropriate, the size and approved capacity Of the enterprise;
- (d) the amount and source of capital including the relevant foreign currency;
- (e) in the case of a foreign national, the form of assets other than foreign currency to be invested and the value of such assets as approved by the Centre;
- (f) the proportion Of the foreign capital invested or to be invested to the total assets of the enterprise and whether the investment consists of the acquisition of shares or stock in a body corporate the number or amount and description thereof;
- (g) particulars of any technology agreement its duration and payments to be made thereunder;
- (h) any loan with respect to the enterprise and the currency in which repayments are to be made;
- (i) the period within which the investment is to be made and the date of issue and expiry of the certificate;
- (j) such other matters as may be necessary Or desirable having regard to the Provisions of the Act.

Transfer
of Certifi-
cate

15.-(1) A Certificate of Approval shall not be transferred without the approval of the Centre.

(2) Every application for approval of a proposed transfer of a Certificate of Approval shall be made to the Centre in the prescribed form and the

Centre Mayo in its discretion, grant or refuse the application and may, if the approval is given, attach terms and conditions to the Certificate to be transferred or, where terms and conditions are already attached may vary the existing terms and conditions.

16. The Centre, may amend a Certificate of Approval granted under section 14:-

Amend-
ment of
Certifi-
cate

- (a) in any case in which it is satisfied that some other national or foreign national has succeeded to the interest in the enterprise of the holder of the Certificate, by substituting for the name of the holder the name of the successor;
- (b) in any case where the name of the enterprise is altered, by substituting the name as so altered;
- (c) with the written consent of the holder, by varying the relevant foreign currency;
- (d) by extending the period during which the investment or the investment of foreign capital is to be made;
- (e) by varying the amount thereof, in any case in which no foreign capital is to be invested in the enterprise by the holder, subject to the approval required under this Act;
- (g) in any case where the investment consists of the acquisition of shares or stock of a body corporate, and new shares or stock are acquired otherwise than by the investment of foreign capital, by varying the number or amount and the description thereof;

- (h) subject to the foregoing provisions and to the written consent of the holder, in such other , manner as may be necessary or desirable.

Suspension and
Cancellation of
Certificate

17.-M The Centre may suspend or cancel a Certificate of Approval where the holder of the Certificate:

- (a) obtained such Certificate on the basis of fraud, or deliberate or negligent submission of false or misleading facts or statements;
- (b) assigned such Certificate without the prior written consent of the Centre;
- (c) fails without reasonable cause stated in writing to establish the approved enterprise within the time stipulated in the Certificate or any extension thereof;
- (d) fails without reasonable cause stated in writing to comply with the terms of the Certificate, or the provisions of the Act and any Regulations or request of the Centre made thereunder within such reasonable period as may be stipulated by the Centre in a notice to the holder of the Certificate specifying the failure to comply.

(2) The Centre shall, before taking any action under subsection (1), notify the holder in writing of its intention to cancel the Certificate and the ground therefor and allow such holder not less than thirty days to show cause in writing, why his Certificate should not be suspended or canceled and the Centre may, for such purpose, hold such inquiry as it thinks fit.

(3) The Centre shall give due consideration to any representation made by the holder and any action taken to remedy the ground for suspension or cancellation taking into account the nature of such ground.

(4) If a holder notified under subsection (2) fails to show cause, or fails to do so to the satisfaction of the Centre, the Centre may suspend or revoke the Certificate or take such other action as it may think fit including the suspension of any or all incentives or benefits under the Act.

(5) Where a Certificate of Approval is suspended the holder thereof shall cease to be entitled to rights and benefits conferred under this Act for the period of the suspension.

(6) Where a Certificate of Approval is canceled:

- (i) the holder thereof shall cease to be entitled to the benefits conferred under this Act as from the date of such cancellation and shall return the Certificate to the Centre;
- (ii) the Centre may require the holder thereof to sell the approved enterprise.

(7) Any person who is aggrieved by any decision taken by the Centre under this section may appeal to the Minister.

18. The Centre shall cause to be maintained proper records of:-

- (a) all application for Certificates Approval;
- (b) all approved enterprises and whether the approval was in respect of a new enterprise or the rehabilitation or expansion of an existing enterprise;
- (c) all amendments, suspensions or cancellations of Certificates;

Records
of applica-
tions and
Certifi-
cates

- (d) such other particulars relating to Certificates of Approval as may be necessary or desirable;
- (e) all registered certificates and licences.

Areas of
invest-
ments

19.-(1) As from the operative date:-

- (a) the enterprises in areas specified in Part A of the Schedule to this Act shall be accorded priority for private investment, but nothing herein contained shall preclude an application by an investor in respect of any other enterprise;
- (b) the enterprises in the areas listed in Part B of the Schedule shall be reserved for the public sector except where under special circumstances the Minister may grant a special licence for investment in this area;
- (c) the enterprises in the areas listed in Part C of the Schedule are reserved for nationals.

(2) The Minister may, on the recommendation of the Centre amend the Schedule from time to time:

Provided that where as a result of an amendment made an approved enterprise in respect of which an investment was made by a foreign national is reserved for nationals the approved enterprise shall continue as such notwithstanding the amendment and the holder of a Certificate of Approval with respect to such enterprise shall continue to enjoy the benefits conferred by such Certificate.

PART IV

INVESTMENT INCENTIVES

Benefits
to ap-
proved
enterprise

20.-(1) An approved enterprise shall be entitled to the benefits herein specified.

(2) The benefits conferred upon an approved enterprise shall apply in relation to that enterprise notwithstanding the provisions of any other law save that where there is any change in any law, such that the benefits conferred under this Act would be less favourable, the Minister shall adjust such benefits correspondingly.

21. As from the operative date, and within the initial period of five years, the whole of the tax payable with respect to the gains and profits in respect of an approved enterprise shall be remitted thereafter the tax shall be chargeable at the following rates-

Tax on
profit

- (a) in the case of Corporations and Companies, fifty per centum on taxable profits from an investment project by a non-resident; and forty five per centum on taxable profit from an investment project by a resident;
- (b) in the case of co-operative societies registered under the Co-operative Societies Act, 1982, twenty two point five per centum;
- (c) in the case of a sole proprietor the rate shall be as specified in the Income Tax Act, 1973:

Acts 1982
No. 14

Acts 1973
No. 33

Provided that where the approved enterprise involves the rehabilitation or expansion of an existing enterprise or where an approved enterprise is rehabilitated or expanded the enterprise as rehabilitated or expanded shall be deemed to be the approved enterprise for the purpose of this section and tax shall be calculated on the total gains or profits from such approved enterprise.

22. As from the operative date and within the initial period of five years, the whole of the withholding tax in respect of an approved enterprise shall be remitted, thereafter the rate of withholding tax shall be-

Withhold-
ing tax on
dividends

- (a) in respect of dividends paid from the profits of the approved enterprise, ten per centum in the case of non-residents and five per centum in the case of residents
- (b) in respect of royalties on imported technology, twenty per centum on the gross amount payable;
- (c) interest payable on foreign loans, twenty per centum on the gross amount payable.

Provided however that where the approved enterprise is the rehabilitation or expansion of an existing enterprise or where an approved enterprise is rehabilitated, the enterprise as rehabilitated or expanded shall be deemed to be the approved enterprise for the purpose of this section and tax shall be calculated and charged on the income in respect of the total dividends, royalties, or interest paid.

Exemption from import duties

23. - (1) As from the operative date all machinery, equipment, spare parts, materials and supplies necessarily required for an approved enterprise and imported for use solely and exclusively in such approved enterprise shall be exempt from import duties.

(2) Where approval is given by the Centre with respect to an investment in rehabilitation or expansion of an approved enterprise and the investment is not less than the amount prescribed by the Centre from time to time in the case of investment by a national:

the rehabilitation or expansion shall be deemed to be an approved enterprise for the purpose of this section and shall be entitled to exemption of duty as provided for in subsection (1) commencing from the date of approval granted with respect to the enterprise and continuing thereafter until the operative date of the enterprise as rehabilitated or expanded.

24.-(I) As from the operative date, all machinery, equipment, spare parts, materials and supplies necessarily required for) an approved enterprise, and imported for use solely and exclusively in such approved enterprise and be exempt from sales tax.

Exemption from sales tax

(2) Where approval is given by the Centre with respect to an investment in rehabilitation or expansion Of an approved enterprise and the investment is not less than the amount prescribed by the Centre from time to time, in the case of investment by a national; the rehabilitation or expansions shall be deemed to be an approved enterprise for the purpose Of this section and shall be entitled to exemption of sales tax as provided for in subsection (1) of this section from the date of approval with respect to such enterprise and continuing thereafter until the operative date of the enterprise as rehabilitated or expanded.

25. Any foreign exchange earning enterprise shall be permitted by the Bank of Tanzania to retain in an external account under the supervision of the Bank of Tanzania a portion of their foreign exchange earnings for use in acquiring inputs required for the enterprise which would otherwise not be readily available without the use of such earnings:

Foreign exchange earning enterprises retain foreign exchange earnings

Provided that in the case of net foreign exchange earning enterprise the Bank of Tanzania shall permit a holder of an external account to utilize up to fifty percent Of such an account to effect overseas remittances in respect of debt servicing, profits and dividend payments and settlement of external obligations.

26. - (1) Where an investor is granted a Certificate of Approval by the Centre under this Act, the Minister responsible for land shall grant him on such terms and conditions as may be prescribed a lease of appropriate land for a term suited to the requirement of his enterprise:

Land use by investor

Provided that land belonging to any registered village shall not be leased for commercial activities other than joint ventures with the village government or the village's co-operative society, save that such land may be sub-leased by the village itself for small or medium scale, public or private economic activities. Any lease granted under this section shall be for a term not exceeding ninety-nine years.

(2) Notwithstanding the provisions of subsection (1), prior to the expiry of a lease granted pursuant to subsection (1) of this section the investor may apply for an extension of his lease and the Minister responsible for lands may grant an extension for such period as he deems fit.

Provided that no such extension shall exceed a period of ninety-nine years.

Designated
Special
Growth
Area

27.-(1) The Minister may on the advice of the Centre designate any area in the United Republic to be a special growth centre for development.

(2) Where the Minister designates any area to be a special growth center in accordance with the provision of subsection (1), any approved enterprise established in such area shall be accorded Such special incentives, on such terms as the Minister may prescribe.

PART V

PROTECTION OF INVESTMENT, ARBITRATION AND TRANSFER OF *FOREIGN CURRENCY*

Acquisition and
compensation

28.-(I) No approved enterprise, or any property belonging to any person shall be compulsorily taken Possession of, and no interest in a right over such enterprise or property shall be compulsorily acquired except for public interest and after due process of the law.

(2) Where an enterprise is compulsorily acquired, full and fair compensation as provided under Article 24 of the Constitution shall be payable.

(3) Any compensation payable under the provision of this section shall be made promptly and shall be transferable.

29.-(I) Where any dispute arises between a foreign investor and the Government in respect of any approved enterprise, all effort shall be made through mutual discussions to reach an amicable settlement.

Arbitra-
tion

(2) Any dispute between the foreign investor and the Government in respect of an approved enterprise which is not amicably settled through mutual discussions may be submitted to arbitration:

- (a) in accordance with the rules and procedure for arbitration of the International Centre for the Settlement of Investment Disputes; or
- (b) within the framework of any bilateral or multilateral agreement on investment protection to which the Government and the country of which the investor is a national are parties; or,
- (c) in accordance with any other international machinery for the settlement of investment disputes agreed by the parties.

(3) An approval of any enterprise may specify the particular mode of arbitration to be resorted to in the case of disputes relating to that enterprise and such specification shall constitute the consent of the Government or any agency thereof and of the investor to submit to that forum.

Transfer
of foreign
currency

30. Notwithstanding the provisions of any other law for the time being in force, the holder of a certificate of approval shall be entitled in respect of the approved enterprise to which such certificate relates to transfer out of the United Republic of Tanzania, in the approved foreign currency and at the prevailing official rate of exchange and after payment of taxes:-

- (a) dividends or net profits from investment of foreign assets in the approved enterprise;
- (b) the approved proportion of the net proceeds of sale of all or any part of the approved enterprise, either in liquidation or as a going concern;
- (c) the principal and interest of any loan specified, in the certificate.
- (d) payments in respect of loan servicing where foreign loan has been obtained by an approved enterprise,

Definition
of foreign
assets

31. For the purpose of this Part, "foreign assets" includes foreign currency, credits, rights, benefits or property, any property obtained by the expenditure of foreign currency, the provision, of foreign credit or the use or exploitation of foreign rights, benefits of property, and any profits from an investment in an approved enterprise by the holder of a certificate issued in relation to that enterprise.

Rights of
holder of
registered
certificate
of licence

32. The holder of a registered certificate or licence shall have the same rights under this part as the holder of a certificate of Approval.

PART VI

TRANSITIONAL AND MISCELLANEOUS PROVISIONS

- 33--(1) Where immediately Prior to the commencement of this Act a foreign national holds:
- | | |
|--|--|
| | Existing enterprises with foreign investment |
| (a) a valid registered certificate or a valid industrial licence granted to him under the National Industries (Licensing and Registration) Act 1967; or | Acts, 1967 No. 10 |
| (b) a valid business licence issued under the Business Licensing Act 1972; or | Acts 1972 No. 25 |
| (c) a valid certificate issued under the Foreign Investments (Protection) Act 1963; or | Acts, 1963 No. 40, Cap. 533 |
| (d) any other valid certificate or licence issued under any other Act with respect to the establishment of an enterprise as may be recognised by the Centre; | |

notice thereof shall be given to the Centre in the Prescribed form accompanied by a certified copy of such certificate or licence within six months of the date of commencement of this Act and such notice shall constitute registration for the purpose of this Act.

(2) After the date of commencement of this Act a foreign national may continue to operate an existing enterprise only where he is registered pursuant to subsection (1).

(3) The rights and benefits conferred by a registered certificate or licence shall continue in force subject however to the right of the Centre to issue such directions or make such regulations not inconsistent with the rights and benefits conferred by such certificate or licence, with respect to the exercise of any rights or obligations thereunder.

Invest-
ment by
existing
enter-
prises by
foreign
nationals

34.-(I) A foreign national who holds a registered certificate or licence may from time to time make an investment in rehabilitation or expansion of an existing enterprise, provided that:

- (a) notice of the investment shall be given to the Centre; and
- (b) an application shall be made for amendment of the registered certificate or licence where necessary.

(2) The Centre shall satisfy itself that the investment of which notice has been given under subsection (1) of section 34 has been made or will be made by the holder of the registered certificate or licence and shall amend the registered certificate or licence as may be necessary.

(3) Where a foreign national holding a registered certificate or licence wishes to make an investment in rehabilitation or expansion of an existing enterprise, application shall be made to the Centre for a Certificate of Approval pursuant to section 11 and the investment shall be undertaken only where approval has been given and a Certificate of Approval has been granted by the Centre.

Invest-
ment by
foreign
nationals
in existing
enter-
prises in-
reserved
areas

35. Where at the date of commencement of this Act, a foreign national holds a valid certificate or licence with respect to an existing enterprise which has been reserved for nationals by virtue of this Act, the foreign national may undertake maintenance and rehabilitation of such enterprise of an amount as prescribed by the Centre but shall not undertake rehabilitation of the enterprise where the amount of the investment is not less than the amount specified in the Schedule hereto.

Rehabili-
tation or
expansion
of ap-
proved
enterprise

36.-(I) A foreign national who is a holder of a Certificate of Approval may make an investment in rehabilitation or expansion of an approved enterprise where the amount of the investment, in the case of an investment in any area reserved for nationals is not less than the amount specified in

Part C of the Schedule or as prescribed by the Centre thereunder, in the case of a foreign national; provided however that notice and particulars of the investment shall be given to the Centre and an application shall be made for amendment of the Certificate of Approval.

(2) The Centre shall satisfy itself that the investment of which notice is given under subsection (1) has been made or will be made by the holder of the Certificate of Approval and shall amend the Certificate of Approval as may be necessary.

(3) Where the holder of a Certificate of Approval wishes to make an investment in rehabilitation or expansion of an approved enterprise, he shall make an application to the Centre for approval of the investment and amendment of the Certificate of Approval and the investment shall be undertaken only where approval has been given and the Certificate of Approval has been appropriately amended by the Centre.

37.- (1) Any person who

Offences

- (a) deliberately submits false or misleading, facts or statements to obtain a Certificate of Approval or benefit under this Act;
- (b) applies any benefit conferred by or under this Act for a Purpose other than those for which the benefit has been conferred;
- (c) fails to Comply with any request made pursuant to this Act or to permit the inspection required by section 40.

shall be guilty of an offence.

(2) A person guilty of an offence under this section or any other section of the Act shall be liable on conviction to a fine:

- (a) in the case of foreign national, to a fine not exceeding fifty thousand United States of America dollars or equivalent convertible foreign currency;
- (b) in the case of a national, to a fine not exceeding one million Tanzanian shillings,

or to a term of imprisonment not exceeding twelve months.

Accounts
and re-
cords of
enter-
prises

38--(1) The holder of a Certificate of approval shall maintain separate accounts and records in respect of the approved enterprise or new enterprise as rehabilitated or expanded and deemed to be the approved enterprise.

(2) The holder of a registered certificate or licence shall keep such accounts and records as the Centre may require.

Informa-
tion and
inspection

39. - (I) The Centre may require any person to supply information relevant for the purpose of implementation of the provisions of the Act and regulations made thereunder or with respect to any Certificate of Approval or a registered certificate or licence and it shall be the duty of any such person to comply with the request.

(2) An authorised representative of the Centre or any officer of Government may on giving reasonable notice, to:

- (a) the holder of a Certificate of Approval; or
- (b) the holder of a registered certificate or licence; or
- (c) any employee agent or representative of the holders referred to in paragraph (a) or (b) carry out inspection of an approved

enterprise and accounts, records and information relating to the approved enterprise or required for the purpose of this Act.

40. The Centre may issue guidelines from time to time for carrying out the provisions of this Act or regulations made thereunder including procedures for submission of applications and the relevant approvals necessary for the establishment of an approved enterprise.

Guide-
lines

41. The following enactments:

(a) the National Industries (Licensing and Registration) Act, 1967;

Amend-
ment to
existing
enact-
ments

(b) the Business Licensing Act, 1972;

Acts 1967
No. 10

(c) the Income Tax Act, 1973;

Acts 1972
No. 25

(d) the Sales Tax Act, 1976;

Acts 1973
No. 33

(e) the Customs Tariff Act, 1976;

Acts 1976
No. 13

(f) the Companies (Regulation of Dividends) Act, 1972;

Acts 1976
No. 12

(g) Exchange Control Ordinance.

and Other enactment relating to the functions of the Centre as provided under this Act shall have effect with such modifications as may be necessary to give full effect to this Act.

Acts, 1972
No. 22

Repeal
Acts, 1963
No. 40

42.-(1) The Foreign Investments (Protection) Act, 1963 is hereby repealed.

(2) Notwithstanding the repeal of the Foreign Investment Act, 1963 any agreement executed thereunder and in force immediately before the commencement of this Act shall continue in force as if made under this Act and applications pending under the Act shall be deemed to have been made to the Centre.

Provided that agreements continued in force by this subsection shall unless modified by any new agreement entered into with the Centre, confer only the benefits previously enjoyed under the said agreements before the commencement of this Act..

Act to be
supple-
mented

43. Except as herein in this Act. expressly provided, this Act shall be supplementary to but not in derogation of any other law applicable to an investor or his enterprise and the compliance by an investor with the provisions of this Act shall not absolve him from his obligations to comply with the provisions of any other, law except to the extent repealed by this Act.

Regula-
tions

44. The Minister may make regulations for the better carrying out of the provision and purposes of this Act and without prejudice to the generality of the foregoing may make regulations:

- (a) to prescribe the procedure and forms to be used and the particulars to be furnished for applications, progress and other reports and any other matters whether or riot specified or prescribed under this Act;
- (b) to prescribe fees for applications and certificates, and charges for anything required to be done by the Centre;
- (c) to prescribe procedures for the functioning of the Centre;

- (d) generally for the purpose of giving effect to the provisions of this Act.

45. Any person who in the course of his official duties in the administration of this Act has possession of or control over any document or information obtained under this Act and who communicates such document or information or any part thereof to any other person to whom he is not authorised to communicate by any enactment or by the Centre shall be guilty of an offence and shall be liable on conviction to a fine not exceeding twenty thousand shillings or to imprisonment for a term not exceeding two years or to both such fine and imprisonment.

Official
Secrecy



S C H E D U L E

A. PRIORITY AREAS FOR INVESTMENT

1. AGRICULTURE AND LIVESTOCK DEVELOPMENT:(a) Food crops and cash crops:

Tea

Sisal and sisal products

Coconuts

Wheat

Cashewnuts

Palm oil

Sugar

Castor Oil

Barley

Fruit, Vegetables and Flowers for export

(b) Livestock Development:

Heifer breeding/Dairy farming

Piggery

Sheep/goats keeping

Beef ranching

Poultry

2. **NATURAL RESOURCES :**

Forestry

Fishing and fish farming

Game cropping for commercial purposes

Wildlife ranching

3. **TOURISM:**

(a) Operation of tourist hotels, other accommodations,

(b) Tourist transportation (including road transport, air charters and oceangoing vessels).

(c) Provision of services related to tourism such as tourist safaris (including licensed hunting, restaurants and photographic services).

4. **MANUFACTURING INDUSTRIES :**

Animal feed processing

Agro-based industries

Beverages

Textiles

Leather goods

Steel and metal engineering

Cement and ceramics

Electrical engineering

Electronic engineering

Printing and publishing

Pharmaceutical
Fish processing & canning
Fish nets
Packing
General processing
Battles and glass ware,
Paints
Automotive engineering

5. **PETROLEUM AND MINING;**

The exploration and production of:

- Oil and gas
- Gold
- Diamonds
- Gemstones
- and all other minerals, metallic and non-metallic

6. **CONSTRUCTION:**

Hotels and other tourist accommodation
Residential houses
Commercial buildings
Warehouses, industrial sheds
Estates and factory buildings

7. **TRANSPORT:**

Road haulage

Coastal shipping

Air charters and airlines

6. **TRANSIT TRADE:**

Activities relating to the transit of goods to neighbouring countries, and to the re-export of goods which have value added in Tanzania.

9. **COMPUTERS AND HIGH TECHNOLOGY:**

Activities relating to the manufacture, assembly, marketing, servicing, utilization, and human resources development, of computers and other high technologies.

B. **CONTROLLED AND RESERVED AREAS**1. **Controlled Areas**

Investments large enough to qualify for the application of incentive packages under this policy statement and which are in the following areas of major economic importance. This area shall normally be reserved for public investment or joint public and private enterprises, although exceptions may be made:

- Iron and steel production
- Machine Tool manufacture
- Chemical fertilizer and pesticides production
- Airlines

2. Reserved Areas

The following areas of strategic importance are reserved exclusively for investment by the public sector, except where special licenses may be granted. The IPC will, from time to time, advise the Government on such areas:

- The manufacture, marketing and distribution of armaments and explosives of all types.
- The generation and distribution of electricity in urban areas, or through the national grid.
- The provision of public water for domestic and industrial purposes.
- The building and operation of all railways.
- Radio and television broadcasting.
- Postal and telecommunications services (but not necessarily the production of equipment and accessories thereof).
- Insurance and assurance services.
- Banks.

C. **ACTIVITIES RESERVED FOR LOCAL INVESTORS**

1. Exclusively Reserved Areas

Retail or wholesale trade

Product brokerage

Business representation for foreign companies

Operation of public relations business

Operation of taxis

Barber shops, hairdressing and beauty saloons

Butcheries

Ice-cream making and parlours.

Areas which foreign investors with less than two-hundred and fifty thousand United States Dollars (US\$ 250,000) or some other amount which may be stipulated by IPC from time to time will be excluded:

Travel Agencies

Car hire service

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Bakeries, confectioneries and food processing for the local market

Tailoring of garments for the domestic market

Manufacture of leather goods for the domestic market

Buildings' repair and decoration units

Manufacture of house and office furniture for the domestic market.

Passed in the National Assembly on the seventh day of April, 1990.

